



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Resolution Approving the Transfer of Control of CATV Franchise from Media One Group, Inc. to AT&T Corp.

MEETING DATE: November 3, 1999

PREPARED BY: Kirk J. Evans, Human Resources Analyst II

RECOMMENDED ACTION: That City Council pass a Resolution Approving the Transfer of Control of CATV Franchise from Media One Group, Inc. to AT&T Corp. (attached).

BACKGROUND INFORMATION: On May 6, 1999 Media One Group, Inc. and AT&T Corp. entered into an agreement whereby Media One Group, Inc. will be merged into a wholly owned subsidiary corporation of AT&T Corp.. This subsidiary includes all cable, international, wireless and directory services. After the merger, legal control of the franchise will rest with AT&T Corp.. Media One will continue to exist and hold the franchise in the City of Lodi. This franchise terminates on February 20, 2008. Media One is requesting City Council approval for what is known as a transfer of control of the franchise. The franchise itself will not be transferred. As in the past, Media One will continue to be responsible for all obligations of the franchise.

Key factors involved in this merger are sweeping regulatory changes, as evidenced by the Telecommunications Act of 1996, and rapid advances in technology. These factors have increased the outlook for competition in video, telephone and internet services, and demonstrate the need for substantial expertise in an array of telecommunications ventures. An AT&T/Media One merger brings together complementary sets of expertise and provides resources to assure success.

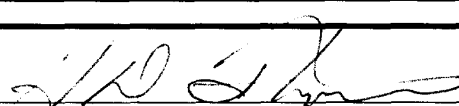
The parties believe the merger is an important and positive change that will strengthen Media One for the future. This will allow them to continue to provide and improve services to all their customers. Certain conditions will not change. Employees and management of Media One will remain in place and will continue to operate the system. The tenets by which they do business will not change: to provide a high level of customer service, develop advanced technology to better serve their customers, and strengthen their commitment to the local community – particularly to schools.

FUNDING: N/A


Kirk J. Evans

Sr. Management Analyst

APPROVED: _____


H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-178

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE CHANGE OF CONTROL OF THE CABLE
COMMUNICATIONS FRANCHISE

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WHEREAS, King Video Cable, dba Media One ("Franchisee"), is duly authorized to operate and maintain a cable communications system within the corporate limits of the City of Lodi, the ("System") by the City of Lodi ("Franchise Authority") pursuant to a franchise (the "Franchise") granted by the Franchise Authority; and

WHEREAS, pursuant to the Agreement and Plan of Merger among AT&T Corp. ("AT&T"), a newly formed whole subsidiary of AT&T ("Merger Sub"), and Media One Group, Inc., the parent of Franchisee ("MediaOne"), dated as of May 6, 1999 (the "Merger Agreement"), MediaOne will merge with and into Merger Sub with Merger Sub as the surviving corporation in the merger, and as a result of the transactions contemplated by the Merger Agreement, Media One will become a wholly owned subsidiary of AT&T (the "Transactions"); and

WHEREAS, Franchisee will continue to hold the Franchise after consummation of the Transactions; and

WHEREAS, FCC Form 394 with respect to the Transactions has been filed with the Franchise Authority; and

WHEREAS, the parties have requested consent by the Franchise Authority to the Transactions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. The Franchise Authority hereby consents to and approves the Transactions to the extent that such consent is required by the terms of the Franchise and applicable law.

Dated: November 3, 1999

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I hereby certify that Resolution No. 99-178 was passed and adopted by the Lodi City Council in a regular meeting held November 3, 1999 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Nakanishi, Pennino and Land
(Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Mann


ALICE M. REIMCHE
City Clerk